

HOUSE BILL REPORT

HB 2105

As Reported by House Committee On:
Select Committee on Hood Canal
Appropriations

Title: An act relating to including the Hood Canal area in the state's on-site sewage grant program.

Brief Description: Including Hood Canal in the on-site sewage grant program.

Sponsors: Representatives Chase, DeBolt, Eickmeyer, Hinkle, Kessler, O'Brien, McCune, Ormsby, Hankins, Clements, Hasegawa, Ericks, Upthegrove, Moeller, Flannigan, Appleton, Hunt and McCoy.

Brief History:

Committee Activity:

Select Committee on Hood Canal: 2/22/05, 2/24/05 [DP];
Appropriations: 3/5/05 [DP].

Brief Summary of Bill

- Includes Jefferson, Kitsap, and Mason Counties in the Puget Sound Action Team's existing On-site Sewage Grant Program for Puget Sound and for Pacific and Grays Harbor Counties.
- Authorizes the Puget Sound Action Team to use appropriated or other funding for grants in Jefferson, Kitsap, and Mason Counties.

HOUSE COMMITTEE ON SELECT COMMITTEE ON HOOD CANAL

Majority Report: Do pass. Signed by 7 members: Representatives Eickmeyer, Chair; McCoy, Vice Chair; Pearson, Ranking Minority Member; Sump, Assistant Ranking Minority Member; Appleton, Chase and Walsh.

Staff: Caroleen Dineen (786-7156).

Background:

Shellfish - On-site Sewage Grant Program. The state established oyster reserves in the Puget Sound and Willapa Harbor to furnish shellfish to growers and processors and to stock public beaches. The Department of Natural Resources (DNR) may lease first or second class tidelands that have been set aside as oyster reserves. Proceeds from the land leases or shellfish sales from oyster reserve lands are deposited into the Oyster Reserve Land Account.

Legislation enacted in 2001 [E2SHB 1658, enacted as Chapter 273, Laws of 2001] directed the Puget Sound Action Team (PSAT) to establish a Shellfish - On-site Sewage Grant Program for Puget Sound and for Pacific and Grays Harbor Counties. The PSAT awards grants to improve on-site sewage systems in areas that could adversely affect water quality in commercial and recreational shellfish growing areas. Funding for the grant program is provided with a portion of the Oyster Reserve Land Account. The PSAT may recover administrative costs not to exceed 10 percent of the grant program.

In administering the grant program, the PSAT must enter into a memorandum of understanding with each participating local health jurisdiction establishing income eligibility requirements for individual grant applicants and specifying other grant program terms and conditions. A grant recipient must enter into an agreement to maintain the system according to local health jurisdiction requirements.

Hood Canal's Low Dissolved Oxygen Concentrations. Hood Canal is a glacier-carved fjord approximately 60 miles in length with approximately 180 miles of shoreline. Portions of Hood Canal have had low dissolved oxygen concentrations for many years. The University of Washington recorded low dissolved oxygen concentrations in the 1950s. In recent years, low dissolved oxygen concentration conditions and significant fish death events have been recorded on Hood Canal. The 2004 dissolved oxygen concentrations in southern Hood Canal were the lowest recorded concentrations for the water body.

In May 2004, the PSAT and the Hood Canal Coordinating Council (HCCC) prepared a report - the *Preliminary Assessment and Corrective Action Plan* (PACA) - assessing sources of nitrogen introduced into Hood Canal. The PACA identifies six categories of human-influenced nitrogen sources for Hood Canal and specifies recommendations for corrective actions for these categories. The PACA identifies human sewage as a major human-influenced nitrogen source for Hood Canal.

Summary of Bill:

The existing Shellfish - On-site Sewage Grant Program is renamed the On-site Sewage Grant Program, and its provisions are amended to include the Hood Canal area. The Puget Sound Action Team (PSAT) may award grants under this program in Jefferson, Kitsap, and Mason Counties within the watersheds that drain to Hood Canal south of a line projected from Tala Point in Jefferson County to Foulweather Bluff in Kitsap County.

For grants awarded in Jefferson, Kitsap, and Mason Counties, the PSAT may use funds appropriated by the Legislature, federal funds, and any funds generated from oyster reserve lands in these three counties.

Appropriation: None.

Fiscal Note: Requested on February 17, 2005.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill allows the state to start working on Hood Canal's problems and addresses a problem that should be resolved anyway. Even though all the science is not in on Hood Canal, the *Preliminary Assessment and Corrective Action Plan* identified six categories of human-influenced nitrogen sources in Hood Canal; on-site sewage systems may be a major contributor. New technologies with environmental benefits can be used to replace or retrofit existing on-site sewage systems.

The Pacific County program has been very successful, and Shorebank and Pacific County have been innovative in using these funds to help fix systems and ensure they are managed over the long term. The program allows people to acknowledge problems and find the resources to resolve them – allowing protection of people's assets as well as water quality and the local economy. The Pacific County program provides funding to buy down interest rates and offers flexible financing options. The Pacific County program also has a "one-stop" shop for the on-site sewage system repair or replacement. This bill creates the opportunity to take what is a successful demonstration to a greater scale and offers one piece of the solution for a very complex problem.

The Washington Agriculture and Forestry Leadership Program is working on the ecological and economic challenges from failing on-site sewage systems on the state's shellfish industry and resources and supports this bill. Language in the statute should include "other appropriate financial assistance" as well as grants. More funding is needed to fuel this program.

Testimony Against: None.

Persons Testifying: (In support) Bruce Wishart, People for Puget Sound; John Berdes, ShoreBank Enterprise Pacific and Pacific County; Terry Hull, Puget Sound Action Team; Eric R. Hall, Taylor Shellfish Farm; and Linda Condon, Washington State Department of Agriculture.

(No position indicated) Ken Morse, NET Septic, Pirana Technology.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 28 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Pearson, Priest, Schual-Berke, Talcott and Walsh.

Staff: Brian Enslow (786-7143).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Select Committee on Hood Canal:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: None.

Testimony Against: None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.